

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3558-02
Bill No.: HJR 43
Subject: Constitutional Amendments: Gaming
Type: Original
Date: February 11, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	(\$36,840)	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	(\$36,840)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Revenue**, the **Department of Public Safety - Missouri State Highway Patrol**, the **Department of Transportation**, and the **Office of Administration - Division of Budget and Planning** stated that the proposal would not affect their agencies until the General Assembly would pass a law authorizing and regulating the businesses authorized by this proposal.

Officials of the **Lottery Commission** stated that the businesses would probably reduce sales of lottery tickets but did not suggest the magnitude of losses.

Officials of the **Gaming Commission** stated that there could be 500 to 2,000 businesses offering gaming devices. They indicated that they would request thirty-five (35) FTE and related office and data processing equipment for a new division exclusively dedicate to regulating the new industry. New personnel would include a Manager, an Assistant Manager, four (4) Background Investigators, eight (8) Enforcement Agents, ten (10) Auditors, two (2) Licensing Technicians, three (3) Clerks, one (1) Tax Clerk, four (4) Electronic Gaming Device Technicians and one (1) Attorney. They would, if the volume of new cases warranted, request a new Hearing Officer. Personnel Service costs would be about \$1,500,000 per year, initial equipment and expense costs would be approximately \$2,600,000 and ongoing expenses would be about \$1,200,000.

Oversight notes that the proposal would allow the General Assembly to authorize, by law, the use of gaming devices in some businesses which are within a mile of interstate highways. Until

ASSUMPTION (continued)

the General Assembly passed a law, there would be no administrative or fiscal impact to the Lottery Commission, the Gaming Commission or local law enforcement agencies

Secretary of State officials stated that advertisement costs for the proposal would be \$3,684 per column inch for three printings of the text of the proposal, the introduction, fiscal note summary, and affidavit. The proposal would be on the ballot for the November 2004 general election.

<u>FISCAL IMPACT - State Government</u>	FY 2005	FY 2006	FY 2007
<u>Cost to General Revenue Fund</u>			
<u>Secretary of State</u>			
Newspaper Advertisements	<u>(\$36,840)</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2005	FY 2006	FY 2007
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal. If the General Assembly passed a law authorizing gaming devices, certain businesses would be affected.

DESCRIPTION

This proposal would authorize the General Assembly to allow the licensing and use of gaming devices in certain businesses which are located within a mile of an interstate highway.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This proposal would not affect Total State Revenue.

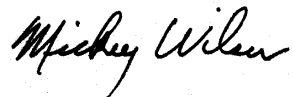
SOURCES OF INFORMATION

Department of Transportation
Missouri Gaming Commission
Missouri Lottery Commission

GVB:LR:OD (12/00)

SOURCES OF INFORMATION (continued)

Office of Administration - Division of Budget and Planning
Department of Public Safety - Highway Patrol
Secretary of State

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 11, 2004